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C O N F I D E N T I A L SECTION 01 OF 02 CARACAS 000437

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E.O. 12958: DECL: 03/28/2018  
TAGS: [PGOV](#) [PHUM](#) [VE](#)  
SUBJECT: PRO-CHAVEZ LEGISLATOR ACCUSES CHAVEZ FAMILY  
MEMBERS OF CORRUPTION

REF: CARACAS 000227

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Classified By: POLITICAL COUNSELOR ROBERT RICHARD DOWNES,  
REASONS 1.5 (D)

11. (C) Summary. Chavista National Assembly member Wilmer Azuaje is publicly accusing the father and two brothers of President Chavez (but not the Venezuelan president himself) of abusing their government positions in Barinas State to acquire farms and further their electoral ambitions. Azuaje told the local media that he presented documentary evidence to support his claim to the National Assembly's Comptroller Commission on March 26. Close supporters of President Chavez have responded by trying to discredit Azuaje and are planning to investigate his finances. They are also threatening to lift Azuaje's parliamentary immunity and to expel him from Chavez' new United Socialist Party of Venezuela (PSUV). Azuaje's allegations are the latest indication of divisions within the PSUV. They appear to stem from intra-PSUV competition between the Chavez family and other pro-Chavez state leaders for party nominations for the November 23 state and local elections. End Summary.

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The Allegations  
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12. (SBU) Chavista National Assembly (NA) deputy Wilmer Azuaje presented documentary evidence March 26 to the National Assembly's Comptroller Commission that he believes establishes corrupt practices of Argenis and Narciso Chavez, brothers of President Hugo Chavez. Specifically, Azuaje has alleged since mid-February that both Chavez brothers acquired 17 farms in Barinas State with illicit funds through trusted middlemen. He also accuses Argenis and Narciso Chavez of tapping government funds to run for the governorship of Barinas state and mayor of Barinas city, respectively. In addition, Azuaje accuses Barinas governor and father of President Chavez, Hugo de Los Reyes Chavez, of illegally awarding 50 no-bid contracts collectively worth more than USD 80,000.

13. (SBU) Chavista NA member Calixto Ortega told the media March 27 that a Barinas court already exonerated the Barinas governor, his spouse, and son Argenis of the alleged illegal possession of farms in a March 13 decision. Government prosecutors had sought and achieved the quick dismissal of those particular charges in just 21 calendar days, a particularly short period of time given Venezuela's normally

slow judicial process. This is reportedly the third time a Barinas court has dismissed allegations of corruption against President Chavez' father.

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Accusing the Accuser  
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14. (SBU) When Azuaje brought his allegations to the floor of the National Assembly on March 25, other Chavista NA members from Barinas State lambasted Azuaje and accused him of living beyond his means. NA President Cilia Flores suggested that Azuaje was seeking publicity to further his ambitions to run for the Barinas governorship in the November 23 state and local elections. Members of Chavez' new PSUV party, including PSUV steering committee member and government television talk show host Mario Silva, are asking that Azuaje's parliamentary immunity be lifted and have requested a separate investigation of Azuaje's finances. PSUV NA deputy Calixto Ortega reminded the media that Venezuelan law punishes malicious slander with one to three years in prison. Some PSUV members are also proposing that Azuaje be expelled from the PSUV during a March 30 party leader conference.

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Comment  
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15. (C) PSUV NA deputy Azuaje's allegations against the Chavez family in Barinas do not extend to President Chavez, but are consistent with the widespread perception that Chavez family members have enriched themselves while in power in Barinas. Azuaje's very public accusations are also yet another example of politically damaging divisions within Chavez' new PSUV party. President Chavez' father, in his second term as governor of Barinas State, cannot run for re-election in the solidly pro-Chavez state. The Chavez family appears to be

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grooming President Chavez' brother Argenis to step in, and that has set off a minor PSUV revolt in the state led by Azuaje. We expect Chavez and his closest supporters to try to discredit and ostracize Azuaje (much as they did other internal critics, such as NA deputy Luis Tascon - see reftel), and have the corruption charges shelved or dropped.

DUDDY